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REPORT
HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA

JUNE 30, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-4-2006

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

December 23, 2005

Honorable Joe R. Salter
Speaker of the House of Representatives
State of Louisiana
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the House of Representatives, State of Louisiana, as of and for the year ended June 30, 2005, as listed in the index. These financial statements are the responsibility of the House of Representatives' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the House of Representatives, State of Louisiana, are intended to present the financial position and results of operations of only that portion of the reporting entity of the State of Louisiana.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the House of Representatives, State of Louisiana, as of June 30, 2005 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 23, 2005 on our consideration of the House of Representatives, State of Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the other required supplementary information on pages 3 through 4 and 15, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule on pages 16-18 is presented for the purpose of additional analysis and is not a required part of the financial statements of the House of Representatives, State of Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Duplantier, Chapman, Logan & Weber LLP

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
MANAGEMENTS' DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2005

This section of the House of Representatives, State of Louisiana (House) annual financial report presents Management's analysis of the House's financial performance for the year ended June 30, 2005. This analysis should be read in conjunction with the audited financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The House's net assets increased by \$3,555,513.

The general revenues and transfers of the House were \$26,185,052.

The expenses of the House were \$22,629,539.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of three sections: Management's Discussion and Analysis, audited financial statements and supplementary information. The financial statements also include notes that provide additional detail of the information included in the financial statements.

BASIC FINANCIAL STATEMENTS

The financial statements of the House report information about the House using accounting methods similar to those used by private companies. These financial statements provide financial information about the activities of the House.

The Statement of Net Assets (p. 5) presents the current and long-term portions of assets and liabilities separately.

The Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance (p. 6) presents information on how the House's net assets changed as a result of current period operations.

The following presents condensed financial information of the House:

SUMMARY OF FINANCIAL POSITION

ASSETS:

	<u>June 30, 2005</u>	<u>June 30, 2004</u>
Current assets	\$ 14,647,324	\$ 11,518,910
Capital assets	<u>86,687</u>	<u>79,337</u>
Total assets	<u>14,734,011</u>	<u>11,598,247</u>

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
MANAGEMENTS' DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2005

LIABILITIES

	<u>June 30, 2005</u>	<u>June 30, 2004</u>
Current liabilities	\$ 662,681	\$ 1,086,587
Long-term liabilities	<u>1,125,294</u>	<u>1,121,137</u>
Total liabilities	<u>1,787,975</u>	<u>2,207,724</u>
Invested in capital assets	86,687	79,337
Unrestricted	<u>12,859,349</u>	<u>9,311,186</u>
Total net assets	<u>\$ 12,946,036</u>	<u>\$ 9,390,523</u>

SUMMARY OF REVENUES, EXPENDITURES/EXPENSES
AND CHANGES IN NET ASSETS

	<u>For the Year Ended June 30, 2005</u>	<u>For the Year Ended June 30, 2004</u>
General revenues	\$ 25,601,032	\$ 23,948,496
Expenditures/expenses	22,629,539	22,805,225
Other financing sources (uses)	<u>584,020</u>	<u>(287,021)</u>
Change in net assets	<u>\$ 3,555,513</u>	<u>\$ 856,250</u>

BUDGET ANALYSIS

A comparison of budget to actual operations is a required supplementary statement and is presented in the accompanying supplementary information. Total expenditures were \$2,549,696 below budgeted amounts. This is a result of efforts made by the House to decrease overall spending.

CONTACTING THE HOUSE'S MANAGEMENT

This audit report is designed to provide a general overview of the House and to demonstrate the House's accountability for its finances. If you have any questions about this report or need additional information, please contact the House of Representatives, State of Louisiana, P.O. Box 94062, Baton Rouge, Louisiana, 70804.

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2005

	<u>General Fund</u>	<u>Adjustments*</u>	<u>Statement of Net Assets</u>
ASSETS:			
Cash and cash equivalents	\$ 14,405,908	\$ -	\$ 14,405,908
Due from other legislative agencies	190,002	-	190,002
Other receivables	880	-	880
Promotional inventory	50,534	-	50,534
Capital assets (net of allowance for depreciation)	<u>-</u>	<u>86,687 (1)</u>	<u>86,687</u>
TOTAL ASSETS	<u>\$ 14,647,324</u>	<u>\$ 86,687</u>	<u>\$ 14,734,011</u>
LIABILITIES:			
Liabilities:			
Accounts payable	\$ 215,224	\$ -	\$ 215,224
Employee benefits paid	253,668	-	253,668
Salaries payable	193,789	-	193,789
Compensated absences	<u>-</u>	<u>1,125,294 (2)</u>	<u>1,125,294</u>
Total liabilities	<u>662,681</u>	<u>1,125,294</u>	<u>1,787,975</u>
Fund Balance/Net Assets:			
Reserved for encumbrances	3,110,592	(3,110,592)	-
Unreserved, undesignated	<u>10,874,051</u>	<u>(10,874,051)</u>	-
Total fund balance	<u>13,984,643</u>		
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 14,647,324</u>		
NET ASSETS:			
Invested in capital assets		86,687	86,687
Unrestricted		<u>12,859,349</u>	<u>12,859,349</u>
TOTAL NET ASSETS		<u>\$ 12,946,036</u>	<u>\$ 12,946,036</u>

***Explanation**

- (1) Capital assets, net of the depreciation allowance are recorded on the statement of net assets, but not within the fund statements of the General Fund.
- (2) Long-term liabilities, such as compensated absences, are recorded on the statement of net assets, but not within the fund statements of the General Fund.

See accompanying notes.

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2005

	General Fund	Adjustments*	Statement of Activities
EXPENDITURES/EXPENSES:			
Personal services	\$ 19,419,162	\$ 4,157 (1)	\$ 19,423,319
Travel	473,088	-	473,088
Supplies	210,793	-	210,793
Telephone, utilities and building	419,383	-	419,383
Dues and subscriptions	12,581	-	12,581
Printing	198,095	-	198,095
Office expense and maintenance	1,702,227	-	1,702,227
Other fees and services	10,634	-	10,634
Capital outlay	186,769	(55,740) (2)	131,029
Loss on disposal of assets	-	2,016 (3)	2,016
Depreciation	-	46,374 (2)	46,374
Total expenditures/expenses	<u>22,632,732</u>	<u>(3,193)</u>	<u>22,629,539</u>
GENERAL REVENUES:			
State appropriations	25,179,235	-	25,179,235
Interest	299,199	-	299,199
Other	122,598	-	122,598
Total general revenues	<u>25,601,032</u>	<u>-</u>	<u>25,601,032</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	584,020	-	584,020
Total other financing sources (uses)	<u>584,020</u>	<u>-</u>	<u>584,020</u>
EXCESS OF GENERAL REVENUES AND TRANSFERS IN:			
Over Expenditures/Expenses	3,552,320	(3,552,320)	-
Change in net assets	-	3,555,513	3,555,513
FUND BALANCE:			
Beginning of Year	10,432,323	(1,041,800)	9,390,523
End of Year	<u>\$ 13,984,643</u>	<u>\$ (1,038,607)</u>	<u>\$ 12,946,036</u>

*Explanation

- (1) Changes in long-term obligation for compensated absences
- (2) Reclassify furniture and equipment purchases and record depreciation
- (3) Record loss on disposal of assets

See accompanying notes.

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

Nature of Operations:

The House of Representatives is a part of the legislative branch of government created under Article III of the 1974 Louisiana Constitution.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Government accounting principles and practices are promulgated and established by the Governmental Accounting Standards Board (GASB). The GASB has issued a *Codification of Governmental Accounting and Financial Reporting Standards*. This codification and subsequent GASB pronouncements are recognized as accounting principles generally accepted in the United States of America for state and local governments. The accompanying financial statements have been prepared in accordance with such pronouncements.

The following is a summary of the more significant accounting policies.

Financial Reporting Entity – Application of Section 2100 of the GASB Codification defines the governmental reporting entity (in relation to the House of Representatives, State of Louisiana) to be the State of Louisiana. The accompanying financial statements of the House of Representatives contain sub-account information of the General Fund and account groups of the State of Louisiana. Annually, the State of Louisiana issues financial statements, which include the activity contained in the accompanying component unit financial statements.

Fund Accounting – The House of Representatives uses fund accounting (separate set of self-balancing accounts) to reflect the sources and uses of available resources and the budgetary restrictions placed on those funds by the Louisiana Legislature. The House of Representatives has only a general fund, which is used to account for all of the House of Representatives' general activities, including the acquisition of general fixed assets and the servicing of general long-term debt. It is used to account for all activities of the House of Representatives.

Basis of Accounting:

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

In accordance with *Statement of Governmental Accounting Standard 34*, the House of Representatives presents a Statement of Net Assets and Statement of Activities. These statements reflect entity-wide operations of the House of Representatives. The House of Representatives has only a General Fund, supported by an appropriation from the State of Louisiana and self-generated funds.

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Within the accompanying statements, the General Fund column of the Statement of Net Assets and the Statement of Activities reports all activities of the House of Representatives using the current financial resource measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Management considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. Using this methodology, the legislative appropriation is recorded during the year, and for the year, the appropriation is made, and interest and other revenues are recorded when earned. Expenditures are recorded when a liability is incurred, as in accrual accounting. However, compensated absences are recorded when paid.

The General Fund column is adjusted to create a Statement of Net Assets and Statement of Activities. Within this column, amounts are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Budgets and Budgetary Accounting

The House of Representatives, State of Louisiana, is required to submit to the Legislative Budgetary Control Council an estimate of the financial requirements for the ensuing fiscal year. The General Fund appropriation is enacted into law by the Legislature and sent to the Governor for her signature. The House is authorized to transfer budget amounts between accounts in the General Fund. Revisions, which alter total appropriations, must be approved by the Legislature. The level of budgetary responsibility is by total appropriation. All annual appropriations lapse at fiscal year end, and require that any amounts not expended or encumbered at the close of the fiscal year be returned to the State General Fund unless otherwise reappropriated by subsequent legislative action. Current appropriation legislation authorizes such reappropriation of prior year funds.

The budget for the General Fund is prepared on the budgetary (legal) basis of accounting. In compliance with budgetary authorization, the House of Representatives includes the prior year's fund balance represented by appropriated net assets remaining in the fund as a budgeted revenue in the succeeding year. The results of operations on a GAAP basis do not recognize the fund balance allocation as revenue because it represents prior period's excess of revenues over expenditures.

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Promotional Inventory

The House maintains an inventory of promotional items, which are available for sale to the general public in the interest of promoting the State of Louisiana and the Legislature. Inventory items are recorded at the lower of cost or market on a first-in, first-out basis.

Encumbrances

Encumbrances are recorded when purchase orders, contracts, commitments and other intentions to commit funds for expenditure of monies are recorded but are not considered expenditures unless liabilities for payments are incurred. Encumbrances are reported as a reservation of fund balance on the balance sheet. Encumbrances do not lapse at the close of the fiscal year but are carried forward as reserved fund balance until liquidated. Encumbrances are an allowable charge against the current year appropriation.

Leave Benefits

The long-term obligation of accumulated unpaid annual, sick and compensatory leave is reported in the Statement of Net Assets and Statement of Activities. The House's employees accrue unlimited amounts of annual and sick leave at varying rates as established by the House's personnel manual. Upon resignation or retirement, unused annual leave of up to 300 hours is paid to employees at the employee's current rate of pay. Upon retirement, annual leave in excess of 300 hours and unused sick leave are credited as earned service in computing retirement benefits.

Furthermore, employees earn compensatory leave for hours worked in excess of 40 hours per work week. The compensatory leave may be used similarly to annual or sick leave. At June 30, 2005, compensatory leave of up to 360 hours, for which employees could be paid upon resignation or retirement, and annual leave, computed in accordance with the *Codification of Governmental Accounting and Financial Reporting Standards* Section C60.105, total \$1,125,294.

The following are the changes in general compensated absences (long-term obligations) during the year.

<u>Balance</u> <u>July 1, 2004</u>	<u>Net</u> <u>Change</u>	<u>Balance</u> <u>June 30, 2005</u>
\$ 1,121,137	\$ 4,157	\$ 1,125,294

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Leave Benefits (Continued)

The additions and reductions to compensated absences during the 2004-2005 fiscal year represent the net change during the year because the additions and deductions could not be readily determined.

Postretirement Benefits

The House of Representatives, State of Louisiana, provides certain health care and life insurance benefits for retired employees. Substantially all of the House of Representatives' employees may become eligible for those benefits if they reach normal retirement age while working for the House. These benefits for retirees and similar benefits for active employees are provided through the State's Group Benefits Program whose monthly premiums are paid jointly by the employee and the House of Representatives. The House recognizes the cost of providing these benefits as an expenditure in the year paid. For the year ended June 30, 2005, those costs totaled \$262,126, which covered 52 retired employees, funded through the legislative appropriation. Retirees pay a portion of the cost of their benefits.

Capital Assets

The accompanying statements reflect furniture, fixtures, and equipment used by the House and funded by the legislative appropriation, in daily operations. Those assets are recorded at cost. Depreciation is charged to expense over the estimated useful lives of the assets and is determined using the straight-line method. Expenditures for maintenance and repairs, which do not materially extend the useful life of the asset, are charged to expense as incurred.

The accompanying statements do not include the value of land and buildings provided without cost to the House by the State of Louisiana. Those assets are recorded with the annual financial statements of the State of Louisiana.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

2. DEPOSITS IN BANKS:

Cash and cash equivalents consist of demand deposits and certificates of deposits with maturities of three months or less.

Under State law, the House of Representatives may deposit funds in an approved bank located in this State selected by the presiding officer of the House of Representatives. These public deposits must be secured by federal deposit insurance or pledged securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent in a holding or custodial bank. The bank deposits at June 30, 2005 are as follows:

	<u>Carrying Balance</u>	<u>Bank Balance</u>	<u>FDIC Insurance</u>	<u>Pledged Collateral</u>
Cash in bank	\$ 7,899,565	\$ 8,756,036	\$ 100,000	\$ 8,656,036
Certificates of Deposit	<u>6,506,343</u>	<u>6,506,343</u>	--	<u>6,506,343</u>
TOTAL	<u>\$ 14,405,908</u>	<u>\$ 15,262,379</u>	<u>\$ 100,000</u>	<u>\$ 15,162,379</u>

3. CAPITAL ASSETS:

The accompanying statements reflect capital assets used by the Louisiana House of Representatives, and funded by the legislative appropriation, in daily operations. Those assets are recorded at cost. Capital assets with acquisition costs of \$5,000 or greater are capitalized and depreciated as follows:

	<u>Cost</u>	<u>Allowance for Depreciation</u>	<u>Net Value</u>
Balance, July 1, 2004	\$ 890,677	\$ (811,340)	\$ 79,337
Acquisitions	55,740	--	55,740
Deletions	(11,125)	9,109	(2,016)
Depreciation	--	<u>(46,374)</u>	<u>(46,374)</u>
Balance, June 30, 2005	<u>\$ 935,292</u>	<u>\$ (848,605)</u>	<u>\$ 86,687</u>

The depreciable assets are depreciated using the straight-line method of allocating costs over the following useful lives:

Computer equipment	5 years
Office furniture	10 years
Vehicles	5 years
Other Machinery and Equipment	6 years

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

3. CAPITAL ASSETS: (Continued)

The cost of normal maintenance and repairs that do not add value to the asset or materially extend asset lives are not capitalized.

The accompanying statements do not include the value of land and buildings provided without cost to the House of Representatives by the State of Louisiana. Those assets are recorded with the annual financial statements of the State of Louisiana.

4. RETIREMENT SYSTEM:

Plan Description

Substantially all employees and members of the House of Representatives participate in the Louisiana State Employees' Retirement System (LASERS) or the Teachers' Retirement System of Louisiana (TRS), both of which are cost sharing, multiple-employer defined benefit pension plans administered by a separate Board of Trustees. The plans provide retirement, disability and survivor benefits to participating, eligible employees. Benefits are established and amended by state statute. Benefits are guaranteed by the State of Louisiana under provisions of the Louisiana Constitution of 1974. LASERS and TRS issue publicly available financial reports that include financial statements and required supplementary information. The reports may be obtained by writing to Louisiana State Employees' Retirement System, Post Office Box 44213, Baton Rouge, Louisiana, 70804-4213, or by calling (225) 922-0600, or by writing to Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana, 70804-9123, or by calling (225) 925-6446.

Funding Policy

Plan members of the House of Representatives are required by state statute to contribute 7 ½%, 8%, 9 ½% or 11 ½% of their annual covered salary to LASERS and TRS, respectively, and the House of Representatives (as their employer) is required to contribute at an actuarially determined rate. The current employer rate is 17.8% and 15.5% of annual covered payroll for LASERS and TRS, respectively. The contribution requirements of plan members and the employer are established by, and amended by, state law. As required by state law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The employer contribution is funded by the State of Louisiana through the annual legislative appropriation. The House of Representatives' employer contributions to LASERS and TRS for the years ending June 30, 2005, 2004 and 2003, which were equal to the required contributions for each year, were as follows:

<u>Period Ending</u>	<u>LASERS</u>	<u>TRS</u>	<u>Total</u>
June 30, 2005	\$ 1,767,343	\$ 9,767	\$ 1,777,110
June 30, 2004	1,565,034	8,768	1,573,802
June 30, 2003	1,422,530	10,024	1,432,554

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

5. LEASE AGREEMENTS:

The House of Representatives has operating leases for computer and office equipment on a month-to-month, as needed, basis.

The lease agreements have nonappropriation exculpatory clauses that allow for lease cancellation if the Louisiana Legislature does not make an appropriation for their continuation during any future fiscal period. Rental and lease expenditures totaled \$239,988 for the year ended June 30, 2005.

6. TRANSFERS:

Amounts received from other governmental units for the year ended June 30, 2005 consist of the following:

	<u>Office Operations</u>	<u>Capital Outlay</u>	<u>Personal Services</u>	<u>Total</u>
Legislative Budgetary				
Control Council	\$ 305,915	\$ 114,269	\$ --	\$ 420,184
Other agencies	<u>87,974</u>	<u>--</u>	<u>75,862</u>	<u>163,836</u>
Total	<u>\$ 393,889</u>	<u>\$ 114,269</u>	<u>\$ 75,862</u>	<u>\$ 584,020</u>

The amount due from other legislative agencies totaled \$190,002 at year-end.

7. OTHER COSTS:

The State of Louisiana, through other appropriations, provides office space, utilities and janitorial services for the office facilities, all of which are not included in the accompanying financial statements.

8. LITIGATION, CLAIMS AND SIMILAR CONTINGENCIES:

Losses arising from litigation, claims and similar contingencies are considered state liabilities and are paid by special appropriations made by the Louisiana Legislature. Any applicable litigation, claims and similar contingencies are not recognized in the accompanying financial statements.

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

9. RECONCILIATION:

The Statement of Net Assets and Statement of Activities present the House of Representatives' fund balance/net assets from a fund perspective and an entity-wide perspective, using the current financial resources focus for the fund balance and the economic resources measurement focus for net assets. The amounts are reconciled as follows:

Fund balance, June 30, 2005	\$ 13,984,643
Capital assets	86,687
Compensated absences	<u>(1,125,294)</u>
Net assets, June 30, 2005	<u>\$ 12,946,036</u>

10. FUND EQUITY:

Designations of fund balance represent tentative management plans that are subject to change. Encumbrances outstanding at year-end represent the estimated amount the House intends to use for capital asset acquisitions.

11. RISK MANAGEMENT:

The House of Representatives limits its exposure to risk of loss through the Office of Risk Management, a statewide insurance program. Through the payment of premiums to the program, the House of Representatives transfers the risk of loss from theft, torts, damage to and destruction of assets, workers' compensation, errors and omissions, and natural disasters.

12. APPROPRIATION RECEIVABLE:

The amount due from the State treasury and appropriation revenues collected are summarized as follows:

	Total Appropriations <u>Authorized</u>	Funds As Of <u>June 30, 2005</u>	Amount Due From State Treasury As Of <u>June 30, 2005</u>
Act 6 of 2004 Regular Session	\$ <u>25,179,235</u>	\$ <u>25,179,235</u>	\$ <u> --</u>

SUPPLEMENTARY INFORMATION

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (LEGAL BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Budget to</u> <u>GAAP</u> <u>Differences</u> <u>Over (Under)</u>	<u>Actual</u> <u>Amounts</u> <u>GAAP</u> <u>Basis</u>
	<u>Original</u>	<u>Final</u>			
REVENUES:					
State appropriations	\$ 25,179,235	\$ 25,179,235	\$ 25,179,235	\$ -	\$ 25,179,235
Interest	-	-	299,199	-	299,199
Other	-	-	122,598	-	122,598
Reappropriated fund balance (1)	8,281,656	8,281,656	8,281,656	(8,281,656) (1)	-
Total revenues	<u>33,460,891</u>	<u>33,460,891</u>	<u>33,882,688</u>	<u>(8,281,656)</u>	<u>25,601,032</u>
EXPENDITURES AND ENCUMBRANCES:					
Personal services	19,436,035	19,436,035	19,419,162	4,157 (2)	19,423,319
Travel	327,000	327,000	473,088	-	473,088
Supplies	323,000	323,000	210,793	-	210,793
Telephone, utilities and building	295,000	295,000	419,383	-	419,383
Dues and subscriptions	68,000	68,000	12,581	-	12,581
Printing	180,000	180,000	198,095	-	198,095
Office expense and maintenance	2,549,200	2,549,200	1,702,227	-	1,702,227
Other fees and services	52,000	52,000	10,634	-	10,634
Capital outlay	1,949,000	1,949,000	186,769	(55,740) (3)	131,029
Loss on disposal of assets	-	-	-	2,016 (3)	2,016
Depreciation	-	-	-	46,374 (3)	46,374
Total expenditures/expenses	<u>25,179,235</u>	<u>25,179,235</u>	<u>22,632,732</u>	<u>(3,193)</u>	<u>22,629,539</u>
Excess (deficiency) of revenues over expenditures	8,281,656	8,281,656	11,249,956	(8,278,463)	2,971,493
OTHER FINANCING SOURCES (USES):					
Interagency transfers in	-	-	584,020	-	584,020
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>584,020</u>	<u>-</u>	<u>584,020</u>
Net change in fund balance	8,281,656	8,281,656	11,833,976	(8,278,463)	3,555,513
Fund balances - beginning	8,281,656	8,281,656	8,281,656	1,108,867 (4)	9,390,523
Less reappropriated fund balance	(8,281,656)	(8,281,656)	(8,281,656)	8,281,656 (1)	-
Fund balances - ending	<u>\$ 8,281,656</u>	<u>\$ 8,281,656</u>	<u>\$ 11,833,976</u>	<u>\$ 1,112,060</u>	<u>\$ 12,946,036</u>

Explanation of differences:

- (1) Budgets include reappropriated fund balances carried over from prior years to cover expenditures of the current year. This amount is not revenue of the current period but is presented as revenue only for budgetary purposes. Beginning budgetary fund balances have been reduced by the carryover to reflect the budgetary ending fund balance projected.
- (2) Compensated absences and salaries are budgeted on a modified accrual basis. Under generally accepted accounting principles these costs are recognized when the benefit is earned.
- (3) Capital assets are recognized for budget purposes when purchased. Under generally accepted accounting principles, such capital assets are recognized as long-lived assets and depreciation is recognized over the life of the assets, as well as any loss on disposal.
- (4) The amount reported as "fund balance" on the budgetary basis of accounting derives from the basis of accounting used in preparing the House's budget. This amount differs from the fund balance reported in the statement of revenues, expenditures and changes in the fund balance because of the cumulative effect of transactions such as those described above.

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF LEGISLATORS' PER DIEM AND OTHER COMPENSATION
FOR THE YEAR ENDED JUNE 30, 2005

<u>Representative</u>	<u>Total</u>	<u>Regular Session</u>		<u>Interim Session</u>		<u>Salary and Expense Allowance</u>
		<u>Days</u>	<u>Amount</u>	<u>Days</u>	<u>Amount</u>	
Alario, John A.	\$ 60,121	60	\$ 6,780	22	\$ 2,542	\$ 50,799
Alexander, Ernest J.	30,645	60	6,780	9	1,065	22,800
Ansardi, Glenn	34,511	60	6,780	43	4,931	22,800
Arnold, Jeffrey	31,630	60	6,780	18	2,050	22,800
Badon, Austin, Jr.	31,049	60	6,780	13	1,469	22,800
Baldone, Damon J.	31,735	60	6,780	19	2,155	22,800
Barrow, Regina A.	11,782	60	6,780	-	-	5,002
Baudoin, Clara G.	32,340	60	6,780	24	2,760	22,800
Baylor, Ernest, Jr.	32,380	60	6,780	24	2,800	22,800
Beard, Gary	31,993	60	6,780	21	2,413	22,800
Bowler, Shirley D.	34,261	60	6,780	41	4,681	22,800
Broome, Sharon Weston	16,671	-	-	11	1,299	15,372
Bruce, Beverly G.	31,396	60	6,780	16	1,816	22,800
Bruneau, Charles E.	31,501	60	6,780	17	1,921	22,800
Burns, Timothy "Tim" G.	31,210	60	6,780	14	1,630	22,800
Burrell, Roy Allen	32,251	60	6,780	23	2,671	22,800
Carter, Karen R.	33,793	60	6,780	37	4,213	22,800
Carter, Robert J.	30,145	60	6,780	5	565	22,800
Cazayoux, Donald J., Jr.	32,316	60	6,780	24	2,736	22,800
Crane, Carl N.	30,145	60	6,780	5	565	22,800
Cravins, Donald Ray, Jr.	21,369	60	6,780	3	339	14,250
Crowe, A.G.	30,387	60	6,780	7	807	22,800
Curtis, Israel B.	32,114	60	6,780	22	2,534	22,800
Damico, Nuncio J.	34,333	60	6,780	41	4,753	22,800
Daniel, William B., IV	30,726	60	6,780	10	1,146	22,800
Dartez, Carla Blanchard	31,178	60	6,780	14	1,598	22,800
Dewitt, Charles W.	34,720	60	6,780	44	5,140	22,800
Doerge, Jean M.	32,082	60	6,780	22	2,502	22,800
Dorsey, Yvonne	33,961	60	6,780	26	2,970	24,211
Dove, Gordon E. "Gordie", Sr.	31,178	60	6,780	14	1,598	22,800
Downs, Hollis H.	31,065	60	6,780	13	1,485	22,800
Durand, Sydnie M.	37,819	60	6,780	71	8,239	22,800
Erdey, Dale M.	31,678	60	6,780	18	2,098	22,800
Fannin, James R. "Jim"	33,171	60	6,780	31	3,591	22,800
Farrer, Rick L.	30,718	60	6,780	10	1,138	22,800
Faucheux, Robert R., Jr.	31,436	60	6,780	16	1,856	22,800
Flavin, Daniel T.	15,148	-	-	7	831	14,317
Frith, Lloyd, Jr.	30,952	60	6,780	12	1,372	22,800

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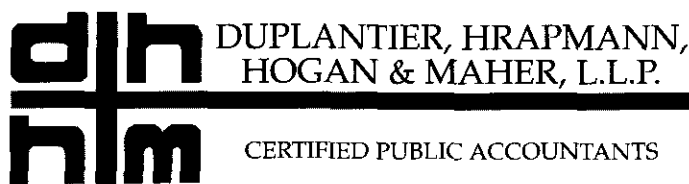
HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF LEGISLATORS' PER DIEM AND OTHER COMPENSATION
FOR THE YEAR ENDED JUNE 30, 2005

<u>Representative</u>	<u>Total</u>	<u>Regular Session</u>		<u>Interim Session</u>		<u>Salary and Expense Allowance</u>
		<u>Days</u>	<u>Amount</u>	<u>Days</u>	<u>Amount</u>	
Futrell, Mike	\$ 12,269	-	\$ -	6	\$ 686	\$ 11,583
Gallot, Richard J., Jr.	32,566	60	6,780	26	2,986	22,800
Geymann, Brett Frank	30,718	60	6,780	10	1,138	22,800
Glover, Cedric B.	31,888	60	6,780	20	2,308	22,800
Gray, Cheryl A.	32,211	60	6,780	23	2,631	22,800
Greene, Hunter	11,782	60	6,780	-	-	5,002
Guillory, Elcie J.	33,421	60	6,780	33	3,841	22,800
Guillory, Mickey J.	31,178	60	6,780	14	1,598	22,800
Hammett, Bryant O., Jr.	35,052	60	6,780	48	5,472	22,800
Heaton, Alex M.	30,371	60	6,780	7	791	22,800
Hebert, Troy M.	29,927	60	6,780	3	347	22,800
Hill, Herman R.	31,751	60	6,780	19	2,171	22,800
Honey, Avon	33,050	60	6,780	30	3,470	22,800
Hopkins, Roy	33,349	60	6,780	33	3,769	22,800
Hunter, Willie, Jr.	31,315	60	6,780	15	1,735	22,800
Hutter, Nita R.	31,444	60	6,780	16	1,864	22,800
Jackson, Michael L.	30,032	60	6,780	4	452	22,800
Jefferson-Bullock, Jalila	32,106	60	6,780	22	2,526	22,800
Johns, Ronald	30,750	60	6,780	10	1,170	22,800
Katz, Kay Kellogg	32,090	60	6,780	22	2,510	22,800
Kennard, Donald R.	30,274	60	6,780	6	694	22,800
Kenney, Lelon L.	30,258	60	6,780	6	678	22,800
Kleckley, Charles E. "Chuck"	15,714	60	6,780	4	452	8,482
LaFleur, Kenneth Eric	31,065	60	6,780	13	1,485	22,800
Labruzzo, John	30,032	60	6,780	4	452	22,800
Lafonta, Juan A.	14,166	60	6,780	3	339	7,047
Lambert, Eddie J.	30,613	60	6,780	9	1,033	22,800
Lancaster, Charles D.	34,220	60	6,780	40	4,640	22,800
Marchand, Charmaine L.	32,824	60	6,780	28	3,244	22,800
Martiny, Daniel R.	31,759	60	6,780	19	2,179	22,800
McDonald, Charles R.	31,630	60	6,780	18	2,050	22,800
McVea, Thomas H.	31,404	60	6,780	16	1,824	22,800
Montgomery, Billy W.	32,687	60	6,780	27	3,107	22,800
Morrell, Arthur A.	30,032	60	6,780	4	452	22,800
Morrish, Dan W.	33,736	60	6,780	36	4,156	22,800
Murray, Edwin R.	14,515	-	-	27	3,115	11,400
Odinet, Kenneth L., Sr.	32,816	60	6,780	28	3,236	22,800
Pierre, Wilfred	34,050	60	6,780	38	4,470	22,800
Pinac, Gil	33,123	60	6,780	31	3,543	22,800

(Continued)

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF LEGISLATORS' PER DIEM AND OTHER COMPENSATION
FOR THE YEAR ENDED JUNE 30, 2005

<u>Representative</u>	<u>Total</u>	<u>Regular Session</u>		<u>Interim Session</u>		<u>Salary and Expense Allowance</u>
		<u>Days</u>	<u>Amount</u>	<u>Days</u>	<u>Amount</u>	
Pitre, Loulan, Jr.	\$ 31,178	60	\$ 6,780	14	\$ 1,598	\$ 22,800
Powell, Michael E., III	32,663	60	6,780	27	3,083	22,800
Powell, Henry, Sr.	32,695	60	6,780	27	3,115	22,800
Quezaire, Roy, Jr.	33,558	60	6,780	34	3,978	22,800
Richmond, Cedric L.	31,783	60	6,780	19	2,203	22,800
Ritchie, Harold L.	30,371	60	6,780	7	791	22,800
Robideaux, Joel C.	30,492	60	6,780	8	912	22,800
Romero, Errol A.	30,597	60	6,780	9	1,017	22,800
Salter, Joe	66,645	60	6,780	179	20,715	39,150
Scalise, Steve	31,404	60	6,780	16	1,824	22,800
Schneider, Matthew, III	34,809	60	6,780	45	5,229	22,800
Shepherd, Derick D., Tynell	26,879	44	4,972	5	565	21,342
Smiley, M.J. "Mert", Jr.	32,130	60	6,780	22	2,550	22,800
Smith, Jack Donald	33,082	60	6,780	30	3,502	22,800
Smith, Jane H.	30,145	60	6,780	5	565	22,800
Smith, John R.	34,075	60	6,780	39	4,495	22,800
Smith, Gary L., Jr.	31,057	60	6,780	13	1,477	22,800
St. Germain, Karen G.	31,977	60	6,780	21	2,397	22,800
Strain, Michael G.	31,170	60	6,780	14	1,590	22,800
Thompson, Francis C.	36,165	60	6,780	57	6,585	22,800
Toomy, Joseph F.	30,597	60	6,780	9	1,017	22,800
Townsend, Thomas Taylor	30,395	60	6,780	7	815	22,800
Trahan, Donald "Don" M.	30,944	60	6,780	12	1,364	22,800
Triche, Warren J., Jr.	32,114	60	6,780	22	2,534	22,800
Tucker, James W.	30,960	60	6,780	12	1,380	22,800
Waddell, Wayne	30,032	60	6,780	4	452	22,800
Walker, Monica H.	30,710	60	6,780	10	1,130	22,800
Walsworth, Michael A.	30,032	60	6,780	4	452	22,800
White, Mack A. "Bodi", Jr.	30,653	60	6,780	9	1,073	22,800
Winston, Diane	35,681	60	6,780	53	6,101	22,800
Wooton, Ernest D.	31,057	60	6,780	13	1,477	22,800
Wright, Thomas D.	30,306	60	6,780	6	726	22,800
	<u>\$ 3,384,454</u>		<u>\$ 710,092</u>		<u>\$ 257,605</u>	<u>\$ 2,416,757</u>



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

December 23, 2005

Honorable Joe R. Salter
Speaker of the House of Representatives
State of Louisiana
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the House of Representatives, State of Louisiana, as of and for the year ended June 30, 2005, and have issued our report thereon dated December 23, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the House of Representatives, State of Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the House of Representatives, State of Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the House of Representatives' management, the Legislative Budgetary Control Council and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hapmann, Hogan & Maher LLP

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2005

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of the House of Representatives, State of Louisiana for the year ended June 30, 2005 was unqualified.
2. Internal Control
 - Material weaknesses: None Noted
 - Reportable conditions: None Noted
3. Compliance and Other Matters
 - Noncompliance material to financial statements: none noted.

FINDINGS REQUIRED TO BE REPORTED UNDER GENERALLY ACCEPTED
GOVERNMENTAL AUDITING STANDARDS:

None

SUMMARY OF PRIOR YEAR FINDINGS:

None